
HOUSE BILL 2449

State of Washington

55th Legislature

1998 Regular Session

By Representatives Gardner, Morris, Quall, Anderson, Linville, Doumit, Dunshee and Hatfield

Read first time . Referred to Committee on .

1 AN ACT Relating to exempting new businesses in distressed areas
2 from business and occupation tax; and adding a new section to chapter
3 82.04 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
6 to read as follows:

7 (1) This chapter shall not apply to the gross sales or the gross
8 income received by a new small business located in an eligible area as
9 defined in RCW 82.62.010.

10 (2) As used in this section:

11 (a) "New small business" means a business that: (i) Obtained or
12 was required to obtain a registration certificate under RCW 82.32.030
13 for the first time during the thirty-six months immediately preceding
14 the date in which an exemption is claimed under this section; and (ii)
15 for the business, the value of products, gross proceeds of sales, or
16 gross income of the business, from all business activities, is less
17 than five million dollars per year.

18 (b) For out-of-state entities first engaging in business in this
19 state, "new small business" means a person or company, as defined in

1 RCW 82.04.030, located outside this state that: (i) Obtained or was
2 required to obtain registration with any state, federal, or foreign
3 agency for the first time during the thirty-six months immediately
4 preceding the date in which an exemption is claimed under this section;
5 and (ii) for the business, the value of products, gross proceeds of
6 sales, or gross income of the business, from all business activities,
7 is less than five million dollars per year.

8 (c) "New small business" does not include:

9 (i) A business that has been restructured, reorganized, or
10 transferred, unless the majority of the activities to be conducted
11 after restructuring, reorganization, or transferral are significantly
12 different from the activities previously conducted;

13 (ii) A new branch location or other facility; or

14 (iii) A business that is substantially similar to a business
15 currently operated, or operated within the past ten years, by the same
16 principals.

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